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FM AMEMBASSY MANAGUA
TO RUEHC/SECSTATE WASHDC 3360
INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS MANAGUA 001370

STATE FOR WHA/CEN, EB/IFD/OIA, AND L/CID
STATE ALSO FOR WHA/EPSC
STATE PASS TO USTR
TREASURY FOR INL AND OWH

SIPDIS
SENSITIVE

E.O. 12958: N/A
TAGS: [EINV](#) [ECON](#) [USTR](#) [KIDE](#) [NU](#)
SUBJECT: NICARAGUA: GON FOCUSED ON MUNICIPAL ELECTIONS INSTEAD OF
RESOLVING PROPERTY CLAIMS

REF: A) 02 MANAGUA 877, B) MANAGUA 564, C) MANAGUA 1186,
D) MANAGUA 1244

SUMMARY

¶1. (SBU) During the October 30 Property Working Group meeting, Ruth Zapata, head of the Office of Assessment and Indemnification (OCI), said that she and her colleagues were focused on issuing local property titles rather than resolving claims. Zapata stated that some U.S. citizen claims require approval by President Ortega because of the amount of compensation and their complexity. Zapata expressed her willingness to provide regular updates on the status of U.S. claims in the administrative process, but did not agree to provide clear explanations on how the GON determined settlement offers. The GON's focus on issuing property titles to political supporters in the run up to the municipal elections is delaying the resolution of U.S. claims. End Summary.

ISSUING PROPERTY TITLES FOR FSLN POLITICAL GAIN

¶2. (SBU) On October 30, Econoff met with Ruth Zapata, head of the Office of Assessment and Indemnification (OCI), and Magally Bravo, an official from the Office of the Property Superintendent, to hold the October Property Working Group meeting. Zapata said they were not fully prepared to discuss the list of 53 claims that the Embassy Property Office sent to Attorney General Hernan Estrada on October 21 for this meeting. She explained that her work and that of her colleagues had recently focused on issuing property titles to locals rather than resolving claims "to fulfill commitments with the World Bank and the Millennium Challenge Corporation (MCC)." Zapata asserted that the Attorney General's Office and the Property Superintendent's Office had to prioritize issuing titles because of time constraints to implement the assistance from both institutions.

¶3. (SBU) Note: Our MCC staff reports that the only time constraint they are aware of was to complete the pilot title restitution program in Nagarote municipality, by August 2008. MCC funded the pilot project which included additional staff support and support offices in the city of Leon for the Office of the Property Superintendent. MCC continues to provide legal, logistical, technical, and staff support to implement the program. MCC is currently awaiting comments from the GON on an 18-month plan to implement the program in the departments of Leon and Chinandega by ¶2010. We believe that the Attorney General's Office and Property Superintendent's Office are spending their time issuing titles to help FSLN candidates in the November 9 municipal elections. On October 25, local media reported that Property Superintendent Yara Perez issued property titles while members of the Citizens Power Councils (CPCs) asked the beneficiaries to the vote for FSLN

candidates. Perez defended the actions of the CPCs at an official government event, stating, "One should not hide who he/she is. The truth is that they (the media) can criticize what happened, but we cannot hide who we are. We are the Sandinista government and we should not hide it or hide ourselves." End Note.

ORTEGA DECIDES RESOLUTION OF SOME U.S. CLAIMS

¶4. (SBU) Zapata acknowledged that some U.S. claims require approval by President Ortega because of the amount of compensation needed and their complexity. As examples, she cited the Las Serranias case, involving 29 properties confiscated from the Barreto family (Ref A), and the case of Uri Kollnesher, involving the confiscation of the property of his company (ICADESA).

MORE UPDATES OF CLAIMS IN ADMINISTRATIVE PROCESS...

¶5. (SBU) Zapata expressed her willingness to provide the Embassy Property Office with regular updates on the status of U.S. claims subject to the administrative process. She added that these updates would be useful in keeping U.S. citizen claimants informed about their cases.

...BUT UNWILLING TO OFFER TRANSPARENT APPRAISALS

¶6. (SBU) Econoff urged Zapata to explain to U.S. claimants how the government determines settlement offers. Specifically, how OCI determines values, or in some instances, why OCI reduces settlement offers that previous governments proposed higher compensation (Ref B). Zapata was noncommittal, asserting that property values are public information and that claimants can request from the National Cadastral Registry Office or its regional offices.

COMMENT:

¶7. (SBU) The GON's current focus on issuing property titles is delaying the resolution of U.S. claims. During the August 28 (Ref C) and October 2 (Ref D) property working group sessions, GON officials were not prepared to discuss most of the claims that we provided via letters from the Ambassador to Estrada, a convoluted procedure upon which Estrada, himself, insists. The political dimensions of this recent push to deliver titles to supporters is another example of the GON using all available resources at its disposal to help FSLN candidates win municipal elections.

CALLAHAN